

1 MARSHALL F. GOLDBERG, SBN 89677
2 GLASS & GOLDBERG
3 21700 Oxnard Street, Suite 430
4 Woodland Hills, CA 91367-3665
5 Tel: 818.888.2220
6 Fax: 818.888.2229
7 E-mail: mgoldberg@glassgoldberg.com
8
9 Attorneys for Plaintiff and Counter-defendant
10 PHILIPS MEDICAL CAPITAL, LLC

11 DIANE L. WEBB, SBN 197851
12 LAURA A. LEE, SBN 246032
13 MORGAN, LEWIS & BOCKIUS LLP
14 One Market, Spear Street Tower
15 San Francisco, CA 94105-1126
16 Tel: 415.442.1000
17 Fax: 415.442.1001
18 E-mail: dwebb@morganlewis.com

19 Attorneys for Former Third-party Defendant
20 PHILIPS MEDICAL SYSTEMS NORTH
21 AMERICA COMPANY, A DIVISION OF
22 PHILIPS ELECTRONICS NORTH
23 AMERICA CORPORATION

24 UNITED STATES DISTRICT COURT
25 NORTHERN DISTRICT OF CALIFORNIA
26
27 SAN FRANCISCO DIVISION

28 PHILIPS MEDICAL CAPITAL, LLC, a
Delaware limited liability company,

Plaintiff,

v.

MEDICAL INSIGHTS DIAGNOSTIC
CENTERS, INC., a California
Corporation; VIRGIL L. WILLIAMS,
an individual; JOHN A. LYNCH, an
individual; ARTHUR T. GRONNER, an
individual and as Trustee of the Arthur
T. and Bonnie S. Gronner Trust dated
December 9, 1993; ARTHUR T. AND
BONNIE S. GRONNER TRUST
DATED DECEMBER 9, 1993 and
DOES 1-10, inclusive,

Defendants.

CHRISTOPHER R. MILLER, SBN 66862
WILLIAM T. WEBB, SBN 193832
HANSON BRIDGETT MARCUS VLAHOS
RUDY, LLP
425 Market Street, 26th Floor
San Francisco, CA 94105-2173
Tel: (415) 777-3200
Fax: (415) 995-3480
E-mail: cmiller@hansonbridgett.com

Attorneys for Defendants, Counterclaimants,
and Third-party Plaintiffs
MEDICAL INSIGHTS DIAGNOSTIC
CENTERS, INC.; VIRGIL L. WILLIAMS;
JOHN A. LYNCH; and ARTHUR T.
GRONNER

Case No. C 06-4470 JSW

**JOINT STIPULATION AND [PROPOSED]
ORDER OF DISMISSAL WITH
PREJUDICE OF PHILIPS MEDICAL
CAPITAL LLC, ETC.'S COMPLAINT**

Location: Courtroom 2
Judge: Hon. Jeffrey S. White
Trial Date: April 14, 2008

Original State Court Action Filed: April 14, 2006

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Joint Stipulation and [Proposed] Order of
Dismissal with Prejudice of PMC's Complaint

Case No. C 06-4470 JSW

1 MEDICAL INSIGHTS DIAGNOSTIC
2 CENTERS, INC., a California
3 Corporation; VIRGIL L. WILLIAMS,
4 an individual; JOHN A. LYNCH, an
5 individual; ARTHUR T. GRONNER, an
6 individual and as Trustee of the Arthur
7 T. and Bonnie S. Gronner Trust dated
8 December 9, 1993; ARTHUR T. AND
9 BONNIE S. GRONNER TRUST
10 DATED DECEMBER 9, 1993 and
11 DOES 1-10, inclusive,
12 PHILIPS MEDICAL CAPITAL, LLC, a
13 Delaware limited liability company, and
14 ROES 1-10, inclusive,

15 Counterclaimants,

16 v.

17 PHILIPS MEDICAL CAPITAL, LLC, a
18 Delaware limited liability company, and
19 ROES 1-10, inclusive,

20 Counter-defendant.

21 MEDICAL INSIGHTS DIAGNOSTIC
22 CENTERS, INC., a California
23 Corporation; VIRGIL L. WILLIAMS,
24 an individual; JOHN A. LYNCH, an
25 individual; ARTHUR T. GRONNER, an
26 individual and as Trustee of the Arthur
27 T. and Bonnie S. Gronner Trust dated
28 December 9, 1993; ARTHUR T. AND
BONNIE S. GRONNER TRUST
DATED DECEMBER 9, 1993 and
DOES 1-10, inclusive,
PHILIPS MEDICAL CAPITAL, LLC, a
Delaware limited liability company, and
ROES 1-10, inclusive,

Third-party Plaintiff,

v.

PHILIPS MEDICAL SYSTEMS
NORTH AMERICA, a Delaware
corporation,

Third-party Defendant.

Plaintiff Philips Medical Capital, LLC ("PMC") and Defendants Medical Insights
Diagnostic Centers, Inc. ("MIDC"), Virgil Williams ("Williams"), John A. Lynch ("Lynch") and

1 Arthur T. Gronner, an individual and as trustee of The Arthur T. and Bonnie S. Gronner Trust
2 Dated December 9, 1993 (collectively, "Gronner," and Gronner collectively with MIDC,
3 Williams, and Lynch "the MIDC Parties"); and former third-party defendant Philips Medical
4 Systems North America Company, a division of Philips Electronics North America Corporation
5 ("PMSNA"), submit this stipulation and proposed order dismissing with prejudice PMC's
6 Complaint against the MIDC Parties

7 **I. BACKGROUND**

8 On or about April 14, 2006, PMC commenced an action against the MIDC Parties and
9 The Arthur T. and Bonnie S. Gronner Trust Dated December 9, 1993 (the "Trust"), in the
10 Superior Court of the State of California in and for the County of Contra Costa, titled *Philips*
11 *Medical Capital, LLC v. Medical Insights Diagnostic Centers, Inc., Virgil L. Williams, John A.*
12 *Lynch, Arthur T. Gronner, and the Arthur T. and Bonnie S. Gronner Trust Dated December 9,*
13 *1993, and Does 1-10*; Case Number C06 00676 (the "State Court Complaint").

14 On or about June 16, 2006, the MIDC Parties and the "Trust" asserted cross-claims
15 against PMC and commenced a third-party action against Philips Medical Systems North
16 America Company, a division of Philips Electronics North America Corporation, a Delaware
17 Corporation ("PMSNA") (incorrectly denominated therein "Philips Medical Systems North
18 America, a Delaware corporation") in the Superior Court of the State of California in and for the
19 County of Contra Costa, titled *Medical Insights Diagnostic Centers, Inc., Virgil L. Williams, John*
20 *A. Lynch, Arthur T. Gronner, and the Arthur T. and Bonnie S. Gronner Trust Dated December 9,*
21 *1993 v. Philips Medical Capital, LLC, Philips Medical Systems North America, Inc., and Roes 1-*
22 *10, inclusive*, Case Number C06 00676 (the cross-claims and the third-party action are
23 collectively referred to herein as the "Cross-complaint," and the Cross-complaint collectively
24 with the State Court Complaint, the "State Court Action")

25 On or about July 21, 2006, PMSNA removed the State Court Action to this Court.

26 On or about August 18, 2006, the MIDC Parties amended their Cross-complaint (the
27 "Amended Counterclaim").

28 On or about August 20, 2007, the parties filed a Joint Stipulation and [Proposed] Order of

1 Dismissal with Prejudice of the MIDC Parties' Counterclaim and Third Party Complaint. On
2 August 22, 2007, this Court signed and entered the Order of Dismissal with Prejudice of the
3 MIDC Parties' Counterclaim and Third Party Complaint.

4 **II. DISMISSAL**

5 The parties have agreed to a mutually acceptable resolution of the Complaint. Thus PMC,
6 the MIDC Parties and PMSNA, by and through their respective counsel, hereby stipulate pursuant
7 to Federal Rule of Civil Procedure 41(a)(1) to the dismissal with prejudice of the Complaint and
8 all causes of action and claims against all parties named therein.

9 Each party shall bear its own costs and attorneys' fees.

10 **SO STIPULATED.**

11 Dated: October 8, 2007

HANSON BRIDGETT MARCUS VLAHOS
RUDY, LLP

12
13
14 By 

Christopher R. Miller

William T. Webb

Attorneys Defendants, Counterclaimants,
and Third-Party Plaintiffs MEDICAL
INSIGHTS DIAGNOSTIC CENTERS,
INC., a California Corporation; VIRGIL
L. WILLIAMS, an individual; JOHN A.
LYNCH, an individual; ARTHUR T.
GRONNER, an individual and as Trustee
of the Arthur T. and Bonnie S. Gronner
Trust Dated December 9, 1993

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16
17
18
19
20 Dated: October 8, 2007

MORGAN, LEWIS & BOCKIUS LLP

21
22 By 

Diane L. Webb

Attorneys for Former Third-Party
Defendant PHILIPS MEDICAL
SYSTEMS NORTH AMERICA, a division
of Philips Electronics North America
Corporation, a Delaware Corporation

1 Dated: October 8, 2007

2 GLASS & GOLDBERG

3
4 By 

5 Marshall F. Goldberg
6 Attorneys for Plaintiff and Counter-
7 defendant PHILIPS MEDICAL CAPITAL,
8 LLC

9
10 **ORDER**

11 AS STIPULATED BY THE PARTIES, IT IS SO ORDERED.
12
13

14 Dated: October __, 2007

15 Jeffery S. White
16 U.S. District Court Judge in and for the
17 Northern District of California